



2026

PROVINCIAL BUDGET SUBMISSION

Supporting Small Businesses

Small businesses are at the core of Newfoundland and Labrador's economy. There are nearly 13,000 small businesses in our province, accounting for 98.4% of all businesses.¹ Of these, nearly 10,000 are located in rural and small towns², accounting for nearly 78% of all small businesses.

The prevalence of these small businesses in rural areas clearly show their economic relevance. However, their impact goes beyond the financial. These businesses are the backbone of the local community, providing jobs, services and goods to regions otherwise underserved. Their importance must be acknowledged and their growth fostered.

We appreciate this government's commitment to small businesses in the province, and the acknowledgement of the value they add to our economy and to our communities. Initiatives like decreasing the small business tax and reducing red tape resonate with the small business community.

With mounting pressures on businesses in light of increasing costs and ongoing economic uncertainty, the Board of Trade proposes supporting small businesses through the following recommendations.

The Wage Support Program

The continuation of the **Wage Support Program** would promote job stability, prevent business closures, provide relief for small business and support jobs throughout the province, including in rural areas.

- This program financially assists employers through a one-time payment, ranging from \$2,500 to \$7,500, depending on business size.
- It is intended to help employers implement regulatorily mandated minimum wage increases and ensure they can continue to employ their workers.
- The program:
 1. Provides **relief for small businesses** during uncertain times.
 2. Helps to **stabilize jobs**, to ensure workers maintain employment.
 3. Assists small businesses to maintain their operations and **stay open**.
 4. Promotes employment throughout the province, including in **regions where there are not many alternatives** for employees should they face lay offs.
- Last year, this program supported **550 small businesses** throughout the province. These businesses employ nearly 8,500 employees, including over 4,100 minimum wage employees. This represents **nearly 25% of all NL minimum wage employees**³.

¹ <https://ised-isde.canada.ca/site/sme-research-statistics/en/key-small-business-statistics/key-small-business-statistics-2024>

² <https://www150.statcan.gc.ca/n1/pub/11-627-m/11-627-m2025059-eng.htm>

³ https://www.stats.gov.nl.ca/Statistics/Topics/minimumwage/PDF/Profile__MinWageNL_2023.pdf

- The program is designed to support local, small businesses who are in most need of support. **41.6% of recipients have fewer than 4 minimum wage employees**, while 36.7% of recipients have between 4 and 110 and 21.6% of recipients have 11+.
- As a province-wide program, most of the employers who apply for the program are **outside the metro area (64%)**.
- With the CPI at 2.1% for 2025⁴, and a corresponding minimum wage increase for NL, the need for this program continues.

Request for Provincial Commitment: \$2.725 million – representing a stable level of funding for the Wage Support Program.

Reducing Red Tape

The Board of Trade proposes leveraging our expertise, our members and our connection to the Chamber Network to inform and advise on **reducing red tape**.

1. The Board of Trade has a broad reach of members across Newfoundland and Labrador. We also have access to the entire chamber network across the province.
2. The Board of Trade can engage businesses represented through these networks to provide wide ranging feedback and concrete recommendations on reducing red tape.
3. We can ensure that multiple voices, including those in rural areas, are heard and perspectives are considered.
4. From this engagement, we can provide an “action plan” report to government that:
 - a. Includes actionable definitions of “red tape” and “regulatory burden”;
 - b. Provides specific recommendations on what government can do to reduce the unnecessary requirements placed on businesses without sacrificing safety, finances, or performance outcomes; and
 - c. Recommends a long-term strategy to ensure requirements remain current and agile and prevents the buildup of avoidable administrative obligations over time – a factor that has led to the current state of administrative burden today.

Request for Provincial Commitment: The Board of Trade can conduct this work and produce a quality report for \$60,000.

⁴ <https://www150.statcan.gc.ca/n1/daily-quotidien/260119/dq260119b-eng.htm?indid=9305-1&indgeo=0>

Improving Newfoundland and Labrador's Fiscal Health

We share this government's concern about increasing provincial debt and deficit levels. This matter impacts all Newfoundlanders and Labradorians and is deeply felt by the business community, including small businesses, who are vulnerable to localized economic conditions and experience the results of a poor fiscal environment directly⁵.

Advancing improvements to our province's finances requires long-term adjustments to how spending and policy decisions are made. To begin to address the province's finances, the Board of Trade proposes:

- **Smarter spending** through:
 1. Identifying and streamlining overlapping funding for programs and projects that share the same intended objective. This approach would minimize duplication, improve coordination, and maximize the impact of available resources.
 2. Implementing public reporting for funded initiatives and programs to ensure outcomes are measured, achieved, and communicated. This would strengthen government performance measurement, increase transparency, and build public trust, including in internal functions such as public procurement.
- **Increase and diversify revenue** by advancing transformational opportunities in the energy sector, including Churchill Falls and Bay du Nord, while expanding development in areas such as critical minerals. Fully leveraging the province's resource wealth, infrastructure, and expertise will help unlock long-term economic potential, strengthen fiscal sustainability, and position Newfoundland and Labrador as a leader in energy and resource development.

Together, these measures will help create stronger conditions for all businesses across Newfoundland and Labrador. Directly, new project development and diversified revenue streams will generate opportunities for local suppliers, contractors, and service providers. Indirectly, improved fiscal stability and sustained economic growth will foster a more predictable business environment, strengthen investor confidence, and support the long-term viability of small businesses and communities throughout the province.

⁵ <https://www.theglobeandmail.com/business/commentary/article-breaking-the-cycle-canadas-deficit-addiction-is-hurting-small/>



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